

1 Andrea A. Wirum, State Bar. No. 095616  
2 Chapter 7 Trustee  
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10 **UNITED STATES BANKRUPTCY COURT**  
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 IN RE:  
13 SVP

14 Case No. 17-10067  
15 Chapter 7

16 Debtor(s)

17  
18 **CHAPTER 11 TRUSTEE'S FINAL REPORT**

19 Andrea A. Wirum files this final report on the administration of the Chapter 11 estate since the  
20 appointment of a Chapter 11 trustee. Ms. Wirum was appointed to serve as the successor Chapter 11  
21 trustee on August 20, 2020. Timothy Hoffman, the predecessor Chapter 11 Trustee, resigned as a result  
22 of a conflict created by an objection to the intercompany claim owed by the SVC bankruptcy estate to the  
23 SVP bankruptcy estate filed by Mr. Stephen Finn and Winery Rehabilitation LLC. Prior to Mr.  
24 Hoffman's resignation in the SVP case, Mr. Hoffman had served as Chapter 11 trustee in both the SVC  
25 and SVP Chapter 11 cases. The two bankruptcy cases had been consolidated for purposes of  
26 administration shortly after the two Chapter 11 cases were filed, in February 2017. Shortly after Ms.  
27 Wirum's appointment, the joint administration was severed.

28 The Final Report contains an accounting of transactions which occurred in the SVP case after the  
29 appointment of a Chapter 11 trustee. During Mr. Hoffman's administration, the real property and winery  
30 operation of Sullivan Vineyards Partnership and Sullivan Vineyards Corporation were sold pursuant to a  
31 confidential sales agreement. Although the confidential sales agreement contained an allocation of the  
32

various components of the sales price, no final agreement had been reached between the estates regarding the formal allocation of sales proceeds. Also, the inter-company claim owed by SVC to SVP, which was subject to the claim objection, needed to be resolved. Shortly after Ms. Wirum's appointment, the SVC and the SVP estates reached an agreement regarding the allocation of sales proceeds and the amount of inter-company claim, which agreement was memorialized in stipulation between the estates and approved by the Court. The SVC estate paid the SVC estate the agreed amounts after Court approval.

Mr. Finn and Winery Rehabilitation each asserted substantial claims in the SVP case for reimbursement of attorneys' fees and costs incurred in various litigation matters. In order to move the case forward, it was necessary to liquidate the amounts owed by SVP, if any, to Mr. Finn and Winery Rehabilitation. After review and analysis, Mr. Wirum brought an objection to the allowance of the claims asserted by Mr. Finn and Winery Rehabilitation, which objection was sustained by the Court at a hearing on January 31, 2020. Mr. Finn and Winery Rehabilitation have appealed the disallowance of their claims.

A Chapter 11 Plan of Reorganization proposed by Kelleen Sullivan and Ross Sullivan was confirmed by the Court on February 26, 2020. The Chapter 11 Plan of Reorganization became effective on March 6, 2020.

Detail regarding all of the above as well as other significant matters which occurred during the administration of this Chapter 11 case will be set forth in the Application for Compensation and Reimbursement of Expenses to be filed by Andrea A. Wirum.

Attached hereto is a Form 1 estate property record and report and a Form 2 cash receipts and disbursements record for each SVP estate bank account.

DATED: March 9, 2020.

/s/ Andrea Wirum  
ANDREA WIRUM Chapter 11

**Form 1**  
**Individual Estate Property Record and Report**  
**Asset Cases**

Page: 1

Case Number: 17-10067 RLE

Case Name: SVP

Period Ending: 03/09/20

Trustee: (001222) ANDREA WIRUM Chapter 11

Filed (f) or Converted (c): 02/02/17 (f)

§341(a) Meeting Date:

Claims Bar Date:

1 Ref. #	2 Asset Description (Scheduled And Unscheduled (u) Property)	3 Petition/ Unscheduled Values	4 Estimated Net Value (Value Determined By Trustee, Less Liens, Exemptions, and Other Costs)	5 Property <u>Abandoned</u> OA=§554(a) abandon.	6 Sale/Funds Received by the Estate	6 Asset Fully Administered (FA)/ Gross Value of Remaining Assets
1	Mechanics Bank turnover of account (u) Former DIP account	0.00	0.00		8,333.99	0.00
2	Umpqua checking account Used in Chapter 11	505.76	505.76		0.00	FA
3	Intercompany Receivable Unsecured claim in SVC case. See Stipulation between estates	2,100,000.00	2,100,000.00		0.00	62,838.56
4	21.15 acres Planted Vineyards See asset 9 (originally scheduled) which partially duplicated this originally scheduled asset. Sold during Chapter 11.	0.00	0.00		0.00	FA
5	Kabota Tractor See asset 8.. \$10,000 of sales price allocated to Machinery and Equipment per stipulation between estates	15,000.00	15,000.00		0.00	FA
6	Office furniture and fixtures Sold during Chapter 11 as part of asset sale with no value attributed to SVP	10,783.00	10,783.00		0.00	FA
7	Paintings and Art Sold as part of asset sale with no value attributed to SVP	750.00	750.00		0.00	FA
8	Machinery and Equipment \$10,000 of sales proceeds attributed to SVP for	175,716.00	175,716.00		0.00	FA

**Form 1**  
**Individual Estate Property Record and Report**  
**Asset Cases**

Page: 2

Case Number: 17-10067 RLE

Case Name: SVP

Period Ending: 03/09/20

Trustee: (001222) ANDREA WIRUM Chapter 11

Filed (f) or Converted (c): 02/02/17 (f)

§341(a) Meeting Date:

Claims Bar Date:

Ref. #	1 Asset Description (Scheduled And Unscheduled (u) Property)	2 Petition/ Unscheduled Values	3 Estimated Net Value (Value Determined By Trustee, Less Liens, Exemptions, and Other Costs)	4 Property <u>Abandoned</u> OA=§554(a) abandon.	5 Sale/Funds Received by the Estate	6 Asset Fully Administered (FA)/ Gross Value of Remaining Assets
	vineyard equipment. See stipulation between estates. Amount to be turned over by SVC trustee					
9	1090 Galleron Road and improvements Sold in Chapter 11 as part of asset sale - net remaining to be turned over by SVC trustee per stipulation	16,000,000.00	16,000,000.00		14,743,250.00	FA
10	Sullivan Brand, a Gold Seal Trademark No value attributed to this asset in Chapter 11 sale. SVC owned trademarks per public record	670,000.00	670,000.00		0.00	FA
11	sullivanwine.com Sold during Chapter 11 - no value attributed to this asset	0.00	0.00		0.00	FA
12	Permits:operating, compressed air, liquid propan Sold during Chapter 11 as part of asset sale which included real property and improvements	0.00	0.00		0.00	FA
13	Note Receivable JoAnna Sullivan Because this will be a surplus case no need to collect this note	21,500.00	21,500.00		0.00	FA
14	2016 Grape sales proceeds This claim was included as part of asset 3 in schedules however part of the scheduled claim is unsecured and part is secured. The secured portion is now shown as this asset 14. See stipulation between estates	0.00	0.00		445,721.44	FA

**Form 1**  
**Individual Estate Property Record and Report**  
**Asset Cases**

Page: 3

**Case Number:** 17-10067 RLE

**Trustee:** (001222) ANDREA WIRUM Chapter 11

**Case Name:** SVP

**Filed (f) or Converted (c):** 02/02/17 (f)

**Period Ending:** 03/09/20

**§341(a) Meeting Date:**

**Claims Bar Date:**

Ref. #	1 Asset Description (Scheduled And Unscheduled (u) Property)	2 Petition/ Unscheduled Values	3 Estimated Net Value (Value Determined By Trustee, Less Liens, Exemptions, and Other Costs)	4 Property <u>Abandoned</u> OA=§554(a) abandon.	5 Sale/Funds Received by the Estate	6 Asset Fully Administered (FA)/ Gross Value of Remaining Assets
15	Administrative claim in SVC case (u) Administrative claim in SVC case. See Stipulation between estates and Form 2 detail regarding expenses paid by predecessor trustee	0.00	0.00		576,600.20	FA
16	Rent Received by Predecessor Trustee	0.00	0.00		120,000.00	0.00
17	added in error (u)	0.00	0.00		0.00	FA
17	<b>Assets</b>	<b>Totals (Excluding unknown values)</b>	<b>\$18,994,254.76</b>	<b>\$18,994,254.76</b>	<b>\$15,893,905.63</b>	<b>\$62,838.56</b>

**Major Activities Affecting Case Closing:**

Initial Projected Date Of Final Report (TFR):

Current Projected Date Of Final Report (TFR):

**Form 2**  
**Cash Receipts And Disbursements Record**

Page: 1

**Case Number:** 17-10067 RLE

**Case Name:** SVP

**Taxpayer ID #:** \*\*-\*\*4932

**Period Ending:** 03/09/20

**Trustee:** ANDREA WIRUM Chapter 11 (001222)

**Bank Name:** Mechanics Bank

**Account:** \*\*\*\*\*9466 - Checking Account

**Blanket Bond:** \$5,000,000.00 (per case limit)

**Separate Bond:** N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	6 Receipts \$	7 Disbursements \$	Checking Account Balance
10/07/19		Mechanics Bank	Turnover of DIP account		1,038.76		1,038.76
	{16}		Rent received on 8/30/17 30,000.00	1122-000			1,038.76
	{16}		Rent Received on 9/12/17 30,000.00	1122-000			1,038.76
	{16}		Rent received on 10/26/17 30,000.00	1122-000			1,038.76
	{16}		Rent received on 11/13/17 30,000.00	1122-000			1,038.76
		Net Transfers during chapter 11	Repayment of advance received on 2/26/18 taken into account as part of calculation of net administrative claim 1,000.00	6950-002			1,038.76
	{1}		Beginning balance of Mechanics Bank Account at time of appointment of predecessor trustee 8,333.99	1229-000			1,038.76
		Ace Property and Casualty Insurance	Insurance -1,440.00	6950-000			1,038.76
		Wilbur-Ellis Company	crop expense -202.74	6950-000			1,038.76
		PGE	PGE -527.31	6950-000			1,038.76
		PGE	PGE -357.92	6950-000			1,038.76
		Garvey Brothers Admin claim	Garvey admin -23,834.94	6950-000			1,038.76
		PGE	PGE -756.07	6950-000			1,038.76
		PGE	PGE -365.65	6950-000			1,038.76
		Stanley Convergent Security	Security -200.76	6950-000			1,038.76

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**Form 2**  
**Cash Receipts And Disbursements Record**

Case Number: 17-10067 RLE

Case Name: SVP

Taxpayer ID #: \*\*-\*\*\*4932

Period Ending: 03/09/20

Trustee: ANDREA WIRUM Chapter 11 (001222)

Bank Name: Mechanics Bank

Account: \*\*\*\*\*9466 - Checking Account

Blanket Bond: \$5,000,000.00 (per case limit)

Separate Bond: N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	6 Receipts \$	7 Disbursements \$	Checking Account Balance
		Solutions					
		Wilbur-Ellis Company	crop expense -1.60	6950-000			1,038.76
		Garvey Brothers Admin claim	Garvey admin -3,877.03	6950-000			1,038.76
		OUST fee	OUST fee -975.00	2950-000			1,038.76
		Net Transfers during chapter 11	Transfer to SVC netted out in calculation of admin claim in stipulation -15,000.00	6950-000			1,038.76
		PGE	PGE -331.00	6950-000			1,038.76
		PGE	PGE -640.28	6950-000			1,038.76
		Garvey Brothers Admin claim	Garvey admin -29,759.26	6950-000			1,038.76
		Napa County admin real estate tax	county tax -12,032.76	6820-000			1,038.76
		Gonzalez Electric Admin	PGE -709.88	6950-000			1,038.76
		PGE	PGE -656.08	6950-000			1,038.76
		PGE	PGE -400.86	6950-000			1,038.76
		Garvey Brothers Admin claim	Garvey admin -4,926.17	6950-000			1,038.76
		PGE	PGE -84.31	6950-000			1,038.76
		PGE	PGE -1,065.64	6950-000			1,038.76
		Mech transfers netted out in intercompany claim stipulation	Advance to SVC included in calculation of admin claim per stipulation -24,000.00	6950-000			1,038.76
		OUST fee	OUST fee -975.00	2950-000			1,038.76
		PGE	PGE -84.79	6950-000			1,038.76
		PGE	PGE -1,461.11	6950-000			1,038.76

**Form 2**  
**Cash Receipts And Disbursements Record**

Page: 3

Case Number: 17-10067 RLE

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Taxpayer ID #: \*\*-\*\*4932

Period Ending: 03/09/20

Trustee: ANDREA WIRUM Chapter 11 (001222)

Bank Name: Mechanics Bank

Account: \*\*\*\*\*9466 - Checking Account

Blanket Bond: \$5,000,000.00 (per case limit)

Separate Bond: N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	6 Receipts \$	7 Disbursements \$	Checking Account Balance
		Garvey Brothers Admin claim	Garvey admin -3,479.07	6950-000			1,038.76
		Mechanics Bank	Bank fee Nov 2018 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee Dec 2018 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee Jan 2019 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee Feb 2019 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee March 2019 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee April 2019 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee May 2019 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee June 2019 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee July 2019 -15.00	6950-000			1,038.76
		Mechanics Bank	Bank fee August 2019 -15.00	6950-000			1,038.76
03/06/20		Pachulski Stang Ziehl & Jones LLP Client Trust Account	Turnover of funds to reorganized debtor	8200-002		1,038.76	0.00

<b>ACCOUNT TOTALS</b>	<b>1,038.76</b>	<b>1,038.76</b>	<b>\$0.00</b>
Less: Bank Transfers	0.00	0.00	
<b>Subtotal</b>	<b>1,038.76</b>	<b>1,038.76</b>	
Less: Payments to Debtors		1,038.76	
<b>NET Receipts / Disbursements</b>	<b>\$1,038.76</b>	<b>\$0.00</b>	

**Form 2**  
**Cash Receipts And Disbursements Record**

Page: 4

**Case Number:** 17-10067 RLE

**Case Name:** SVP

**Taxpayer ID #:** \*\*-\*\*4932

**Period Ending:** 03/09/20

**Trustee:** ANDREA WIRUM Chapter 11 (001222)

**Bank Name:** Mechanics Bank

**Account:** \*\*\*\*\*9467 - Checking Account

**Blanket Bond:** \$5,000,000.00 (per case limit)

**Separate Bond:** N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	6 Receipts \$	7 Disbursements \$	Checking Account Balance
11/21/19		Timothy Hoffman, Chapter 11 Trustee of SVC	Net proceeds from sale of real property and improvements		3,558,339.94		3,558,339.94
	{9}		Allocated sales proceeds 14,743,250.00 per stipulation between estates	1110-000			3,558,339.94
		Sales expenses	Sales expenses -11,133.22 allocated per stipulate between estates	6990-000			3,558,339.94
		County Real estate Tax	County real estate tax -601.64	6820-860			3,558,339.94
		Finn and Winery Rehabilitation allocated debt	Debt to Finn and WR -10,933,597.39 allocated per stipulation between estates	4110-000			3,558,339.94
		Postpetition Interest	Postpetition interest on Finn debt allocation per stipulation between estates	4110-000			3,558,339.94
11/21/19	{14}	Timothy Hoffman, Chapter 11 Trustee of SVC	Amount owing in connection with 2016 grape sale	1121-000	445,721.44		4,004,061.38
11/21/19		Tiimothy Hoffman, Chapter 11 Trustee of SVC	Net administrataive claim (2017 grape sales, rent less amounts previously paid by SVP Chapter 11 Trustee Hoffman in administrative expenses		100,478.45		4,104,539.83
	{15}		2017 grapes plus \$70k rent	576,600.20 1221-000			4,104,539.83
		Net Transfers during chapter 11	Net transfers to SVP from SVC during	-4,141.92 6950-000			4,104,539.83

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**Form 2**  
**Cash Receipts And Disbursements Record**

Case Number: 17-10067 RLE

Case Name: SVP

Taxpayer ID #: \*\*-\*\*\*4932

Period Ending: 03/09/20

Trustee: ANDREA WIRUM Chapter 11 (001222)

Bank Name: Mechanics Bank

Account: \*\*\*\*\*9467 - Checking Account

Blanket Bond: \$5,000,000.00 (per case limit)

Separate Bond: N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	5 Receipts \$	6 Disbursements \$	7 Checking Account Balance
			Chapter11				
		International Sureties	Bond payment -426.18	6950-000			4,104,539.83
		KPMD Prior Chapter 11 trustee	Accountant for Prior -27,349.00 Trustee	6310-000			4,104,539.83
		KPMD exp prior chapter 11 trustee	Accountant Exp for Prior -39.92 Trustee	6320-000			4,104,539.83
		Duane Morris for prior Chapter 11 trustee	Attorney for prior trustee -134,479.25	6110-000			4,104,539.83
		Duane Morris expenses for prior chapter 11 Trustee	Attorney exp for prior trustee -1,279.02	6120-000			4,104,539.83
		Timothy Hoffman	Prior Trustee compensation -35,590.00	6101-000			4,104,539.83
		Timothy Hoffman expenses	Prior Trustee expenses -93.31	6102-000			4,104,539.83
		OUST fee	UST 1st Q 2018 -114,815.00	2950-000			4,104,539.83
		OUST fee	UST 2nd Q 2018 -375.00	2950-000			4,104,539.83
		OUST fee	UST 3rd Q 2018 -325.00	2950-000			4,104,539.83
		OUST fee	UST 4 Q 2018 -325.00	2950-000			4,104,539.83
		KPMD Prior Chapter 11 trustee	Accountant for Prior -114,831.00 Trustee	6310-000			4,104,539.83
		KPMD exp prior chapter 11 trustee	Accountant exp for Prior -1,467.50 Trustee	6320-000			4,104,539.83
		Duane Morris for prior Chapter 11 trustee	Attorney for prior trustee -38,598.25	6110-000			4,104,539.83
		Duane Morris expenses for prior chapter 11 Trustee	Attorney exp for Prior Trustee -36.40	6120-000			4,104,539.83
		OUST fee	1st Q 2019 -1,625.00	2950-000			4,104,539.83

**Form 2**  
**Cash Receipts And Disbursements Record**

Page: 6

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Period Ending: 03/09/20

Trustee: ANDREA WIRUM Chapter 11 (001222)

Bank Name: Mechanics Bank

Account: \*\*\*\*\*9467 - Checking Account

Blanket Bond: \$5,000,000.00 (per case limit)

Separate Bond: N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	6 Receipts \$	7 Disbursements \$	Checking Account Balance
		OUST fee	UST 2nd Q 2019 -325.00	2950-000			4,104,539.83
01/27/20	1101	INTERNATIONAL SURETIES, LTD.	BOND PREMIUM PAYMENT ON LEDGER BALANCE AS OF 01/27/2020 FOR CASE #17-10067, Bond No. 016048574	2300-000		1,459.11	4,103,080.72
03/06/20		Pachulski Stang Ziehl & Jones LLP Client Trust	Turn over of funds to reorganized debtor	8200-002		4,103,080.72	0.00

ACCOUNT TOTALS	4,104,539.83	4,104,539.83	\$0.00
Less: Bank Transfers	0.00	0.00	
<b>Subtotal</b>	<b>4,104,539.83</b>	<b>4,104,539.83</b>	
Less: Payments to Debtors		4,103,080.72	
<b>NET Receipts / Disbursements</b>	<b>\$4,104,539.83</b>	<b>\$1,459.11</b>	

Net Receipts :	4,105,578.59
Plus Gross Adjustments :	11,788,327.04
Less Payments to Debtor :	4,104,119.48
Less Other Noncompensable Items :	-1,000.00
<b>Net Estate :</b>	<b>\$11,790,786.15</b>

TOTAL - ALL ACCOUNTS	Net Receipts	Net Disbursements	Account Balances
Checking # *****9466	1,038.76	0.00	0.00
Checking # *****9467	4,104,539.83	1,459.11	0.00
	<b>\$4,105,578.59</b>	<b>\$1,459.11</b>	<b>\$0.00</b>